CHARGE: Recommend ways to **improve accountability and performance** in our public four-year higher education institutions to ensure we get the very highest value for the state's and student's investment.

The following list of options can be used individually or combined together. The options fall into several categories:

- Improve performance through incentives or metrics
  - Option 1: Performance Incentive System
  - Option 2: Publicly Reported Metrics
  - Option 3: Formal Student Caseload Forecast
- Increasing efficiency at institutions
  - Option 4: Technology-Based Instructional Approaches
  - Option 5: Capped Credits
  - Option 6: Shared Services, Coordinated Purchases
  - Option 7: Eliminate Under-used Majors
- Increase efficiencies for students
  - Option 8: Universally Recognized Credits
  - Option 9: Prior Learning Credits
  - Option 10: Transparency / Public Performance and Cost Data
  - Option 11: Three-year Degrees

OPTION 1: PERFORMANCE INCENTIVE SYSTEM

Implement a performance incentive system, including outcome and progress metrics, tailored to the mission of different institutions. Incentives could be offered for achieving specific goals such as:

- Student retention;
- Increased high demand course completion and majors;
- Credit accumulation;
- Time and credits to degrees;
- Transfer rates;
- Increased award of STEM degrees;
- Increased access and affordability for economically disadvantaged students; and
- Degree completion.

Awards would be based on a percentage of each institution's funding. Funding could be based on holding back a percentage of current funds; using new funds (see funding options brief); or both.

Expected benefits:	
Savings	Low
Efficiency	Moderate – High
Performance and Accountability	High
Considerations	• Source of funding (new $$ or set aside from existing funds) • Metrics could (but aren't necessarily) the same things that would be addressed in Option 2)
Stakeholder perspectives	

BEST PRACTICES / INNOVATIVE THINKING	SBCTC'S Student Achievement Initiative
Description: Washington's State Board for Community and Technical Colleges implemented the Student Achievement Initiative – a performance incentive program – for the two-year community and technical college system. The four categories of measures are: • Preparing for college-level course work (adult basic skills gains, passing precollege writing or math) • Continuing college-level course work during the first year (earning 15 quarter college-level credits, then 30 quarter college-level credits) • Completing college-level math • Completing certificates and degrees	
When Implemented:	In 2008
Funding provided	$1M of state funds, carved out from the appropriation for community and technical colleges and $800,000 from foundations
Accomplishments:	In the first year of funding (2008-2009), colleges increased student achievement by 19%. The SBCTC anticipates a 13% increase in student achievement in 2009-2010.
NOTES:	

BEST PRACTICES / INNOVATIVE THINKING	Tennessee
Description: Tennessee is developing a new funding formula based on outcomes and includes a performance component. Elements in their outcomes-based funding formula include: • the number of students accumulating 24, 48, and 72 semester credit hours; • the number of bachelor and associate degrees awarded; • the number of advanced degrees; • the number of students transferring to another higher education institutions either in-state or out-of-state; • the proportion of degrees awarded based on full-time FTE students, • and the six-year graduation rate.	
When Implemented:	Legislation passed in 2010
Funding provided:	Tennessee's higher education budget was cut in 2010.
Accomplishments:	Results not yet available
NOTES:	Tennessee's Higher Education Commission is a coordinating board.

BEST PRACTICES / INNOVATIVE THINKING	Ohio Board of Regents
Description: Ohio's Board of Regents is implementing a new funding formula to distribute state dollars to their two-year and four-year public institutions of higher education. The formula starts with the number of students enrolled and the cost; then adjusts for course completion rates. • At their research universities, an additional 5% will be distributed based on degree completions in FY10, and will increase to 10% in FY11. • In addition to receiving funding based on course completions, Ohio's regional campuses will receive additional funds for course completions by at-risk students (defined as those students eligible for state financial aid.) • Priority weights are given for STEM, as well as medicine and graduate programs. • An incentive system modeled after Washington's Student Achievement Initiative is being developed for the community colleges. Other factors include a percentage for meeting institution-specific goals and a phase-in or stop-loss to prevent a large drop in funding. (This new formula modifies Ohio's higher education formula which is based on classifying courses into one of fifteen different models to differentiate between the costs to educate students taking courses at different levels. Ohio collects detailed data from each campus.	
When Implemented:	In development
Funding provided:	This is a formula to change how funds appropriated by the legislature are allocated to the institutions. The Board of Regents adopts a formula and recommends the formula. The Ohio Legislature generally adopts the formula unless there are insufficient revenues.
Accomplishments:	Not yet
NOTES:	Ohio's Board of Regents is an advisory board and the Chancellor, appointed by the Governor has a coordinating function. The 12 universities are governed by individual boards as are the 23 two year community and technical colleges.

OPTION 2: PUBLICLY REPORTED METRICS

Description: Publicly report metrics to increase public awareness of individual institutional performance and higher education performance	
Washington could report data similar to that being collected through the Complete to Compete Initiative established by the National Governors' Association (NGA). If all (or many) states adopt this model, Washington data could be easily compared to data from other states. The problem this is designed to fix is stated in a description of the NGA Complete to Compete Intitiative: "Unlike the K-12 education system, there are a limited number of agreed upon metrics of performance for higher education, and those that exist do not fully address the multiple aims of training and education beyond high school. Additionally, states, lack guidance on measures of college completion that take efficiency into account."	
Expected benefits:	
Savings	Low
Efficiency	Low
Performance and Accountability	High
Considerations	• Is it appropriate to use national metrics for local institutions • Who is the audience - public, policy makers, students, institutions? • Should this be linked with the performance incentive system proposal? • NGA's Complete to Compete initiative and the newly formed nonprofit, Complete College America, see this as an important part of reaching President Obama's goal that, by 2020, the United States should once again have the highest proportion of college graduates in the world.
Stakeholder perspectives	

OPTION 3: ESTABLISH FORMAL STUDENT CASELOAD FORECAST

Description: Use the state's Caseload Forecast Council to determine the number of higher education students the state needs to serve each year.

OFM is currently required to provide the legislature with information about the number of students needed to keep up with population growth. Since most of the forecasts made by the Caseload Forecast Council are for populations the state is required to serve, this would be a tool to help advocate for a level of service.

The Caseload Forecast Council is statutorily charged with forecasting the entitlement caseloads for the State of Washington. The Council meets several times a year to adopt official forecasts that form the basis of the Governor's budget, and used by the legislature in the development of the omnibus biennial appropriations act. "Caseload" means the number of persons expected to meet entitlement requirements and require the service of public assistance programs, state correctional institutions, state correctional non-institutional supervision, state institutions for juvenile offenders, the common school system, long-term care, health and recovery services, foster care, and adoption support.

Expected benefits:	
Savings	None
Efficiency	None
Performance and Accountability	
Considerations	This is really an advocacy tool.
Stakeholder perspectives	Stakeholders feel that this would help argue that funding for higher education should be caseload driven, just as it is for programs that are "entitlements". It would help see the difference between what we fund and the real need.

OPTION 4: TECHNOLOGY-BASED INSTRUCTIONAL APPROACHES

Description: Increase the use of technology for on-line learning generally. Use technology to deliver core courses at a lower cost. Increase the use of common curriculum for core courses and increase the use of on-line texts.	
The National Center for Academic Transformation has redesigned introductory college courses. The goal is to redesign instructional approaches using information technology in large enrollment, introductory courses with the goals of serving students well at a lower cost. Research suggests that technology-aided course transformation methods if used for the top 25 courses, the cost of instruction would decrease by approximately 16% annually. (About 35% of the undergraduate enrollments are in 25 courses.) Several models of technology-redesigned instructional approaches are currently being used or investigated throughout the country.	
Expected Benefits:	
Savings	Moderate
Efficiency	High
Performance and Accountability	Unknown
Considerations	• Some research suggests opposition to on-line delivery of courses would increase if it is applied to courses other than high enrollment introductory courses. • Currently, the state does not regulate how courses are delivered or curriculum in higher education. • The debate about how students learn best still rages, and this is an on-going topic in that debate.
Stakeholder perspectives	

BEST PRACTICES / INNOVATIVE THINKING	Piloted in different universities in different states
When Implemented:	2000-2010: piloted in 30 different universities and state pilots for some courses in Arizona, Mississippi, State University of New York, Tennessee, and Maryland
Funding provided:	Foundation grants
Accomplishments:	The National Center for Academic Transformation has extensive research on the pilots. As an example the Tempe Campus of Arizona State University redesigned its Computing and Information Literacy Course. In the traditional course 26% of the students earned a C or better and in the redesigned course 65% earned a C or better. The cost savings were a cost reduction from $50 to $28 per student or a 44% savings. The course was more cost effective due to automation and the heavy use of technology tools and the web. Approximately 80% of the feedback and grading was automated.
NOTES:	It does not appear that this approach has been mandated by any state or implemented through-out a university system.

OPTION 5: CAPPED CREDITS

Description: Require students to pay extra tuition and limit the state subsidy once a student has earned the number of credits required for a bachelor's degree	
For the 2007-08 school year, 1,581 students in Washington earned more than 125% of the credits required for a bachelor's degree. This may have included students enrolled in a high credit degree program, students completing a double major or students completing degrees that include a teaching certificate. Washington's state need grant aid is cut off once a student has earned 125% of the required credits; a student is no longer eligible for federal financial aid once they have earned 150% of credits required. Issues include where to set the threshold and what, if any, type of waiver authority should be given the institutions. Twelve states have implemented some type of differential tuition above the student credit hour limits, including Texas, Florida, and North Carolina. As a variation, in 1993 California's Chancellor of the Community College system required anyone with a bachelor's degree to pay the full cost of enrollment in any community college course. As a result, the student population dropped by 7%.	
Expected Benefits:	
Savings	Low-Moderate
Efficiency	Moderate – High
Performance and Accountability	Moderate
Considerations	• Where should the threshold be set and what, if any, type of waiver authority should be given the institutions? • Could change practices where universities would offer more streamlined majors. • Could increase completions within 4 years. • Raises policy considerations about permitting double majors, or degrees like teaching that require extra credits • Additional information is needed, if available about the number of students in Washington earning between 100% and 125% of the credits needed to graduate. • Another approach suggested by the National Center for Policy in Higher Education would be to establish a limit of 120 student semester credit hours on all majors – with waivers if justified -- the author notes: curricula evolves over time with the number of credits tending to expand as do the number of course options for fulfilling that requirement.
Stakeholder perspectives	

BEST PRACTICES / INNOVATIVE THINKING	Texas
When Implemented:	2005; amending a 1997 law
Funding provided:	N/A
Accomplishments:	Effectiveness not known since first applied to students starting in 2006
NOTES:	Texas charges out-of-state tuition to undergraduate students who have completed an excess number of credit hours and stops paying state support for that student. Excess credit hours are defined as 30 more credit hours than degree program requirements. Texas also has a B-On-Time Loan program which forgives a percentage of the loan if a student graduates within 6 credits. Texas also has a $1,000 tuition rebate program for graduation with just enough credits.

BEST PRACTICES / INNOVATIVE THINKING	Florida
When Implemented:	1997
Funding provided:	N/A
Accomplishments:	
NOTES:	Florida passed a law in 1997-98 directing colleges and universities to charge an additional 50 percent on tuition for students with credit hours in excess of 115 percent of the credits required for a student's degree program. Institutional funding was reduced by the amount of the tuition surcharge. This was only in effect for one year. In 2005 a bill was passed requiring students to pay 75% of the tuition for credits exceeding 120%. The Governor vetoed the bill.

BEST PRACTICES / INNOVATIVE THINKING	North Carolina
When Implemented:	1993
Funding provided:	N/A
Accomplishments:	Slight decline in credits from 136.8 for spring 1996 graduates to 133.3 for spring 2000 graduates
NOTES:	Students taking more than 140 credits pay a 25% surcharge. Degrees cannot exceed 128 credits. The tuition surcharge policy was implemented at the same time a program was implemented to improve retention and graduation rates.

OPTION 6: SHARED SERVICES, COORDINATED PURCHASES

Description: Increase administrative efficiencies by streamlining operations among campuses including shared services; the coordination of purchases; and better use of technology, campuses, and facilities.

Last session, the Legislature passed and the Governor signed, HB 2858 to permit higher ed institutions to enter into joint purchasing agreements. The institutions estimate that there could be a cost savings of $1 million a year. For example, use of technology – particularly on-line learning – could reduce facilities costs. The community colleges offer enough on-line credits to fill five brick and mortar campuses. Another alternative might be increasing the use of facilities during evenings, weekends, and summer months.

In 2009, legislation passed requiring the HEC Board to convene a workgroup to develop a plan to improve the effectiveness, efficiency, and quality of education through technology. The final report is due December 2010. The task force is looking at:

- on-line learning technologies,
- personalized on-line student services,
- integrated on-line administrative tools,
- shared library resources,
- sharing of digital content,
- on-line enrollment management, quality assurance, and continuous improvement.

Recommendations are expected to include strategies and tactics to:

- reduce duplication of applications, web hosting and support services;
- use of technology to share costs, data and faculty professional development;
- improve the quality of instruction;
- increase student access, transfer capability and the quality of student, faculty, and administrative services;
- design governance models, funding models, and accountability measures to achieve stated objectives.

Expected Benefits:	
Savings	Moderate
Efficiency	Moderate
Performance and Accountability	NA
Considerations	• If implemented appropriately, could improve public perception about the efficiency of our higher ed system • Savings may take time to realize. That means this is a mid- to longer-term strategy. • Formal recommendations will be available in the fall.
Stakeholder perspectives	

Streamline course offerings by requiring the elimination of underused majors	
Some state higher education agencies have the authority to evaluate academic programs and eliminate those that are no longer viable. This is specific to degrees where the college has defined a certain set of classes that are not filling, as opposed to self-defined degrees pulling from a variety of existing programs. In Washington, the HEC Board has the authority to approve degrees, but does not have the authority to terminate them. That responsibility currently rests only with the institutions.	
Expected Benefits:	
Savings	Low-moderate [We are looking into the magnitude of the problem]
Efficiency	Moderate
Performance and Accountability	Moderate
Considerations	• Elimination of low-use degrees may be perceived as a negative impact on academic diversity and limiting student options • Institutions do this as part of their internal management • Institutions have a difficult time eliminating well-liked, but underused programs.
Stakeholder perspectives	

BEST PRACTICES / INNOVATIVE THINKING	Illinois
Illinois did this in the mid-nineties, eliminating programs graduating fewer than five students per year. Illinois reviews majors every three to five years.	
When Implemented:	Since 1990's
Funding provided:	Built into state level administration
Accomplishments:	Ongoing review and extensive data base on-line to review degrees and enrollment in degrees
NOTES:	The effectiveness was measured in the 1990's when the program was first implemented. These results were reported in 1998: This initiative resulted in the elimination or consolidation of 600 outdated or duplicative programs with an average savings of $36 million dollars. Then Governor Edgar of Illinois was quoted as being more accepting of budget requests because he knew tough decisions had been made

BEST PRACTICES / INNOVATIVE THINKING	Virginia
Virginia conducts comprehensive reviews of all programs every three to five years.	
When Implemented:	
Funding provided:	
Accomplishments:	The Council has the authority to discontinue nonproductive courses or degrees or duplicative programs. Reviews are conducted every 5 years. Approximately two to three dozen programs are targeted for further scrutiny.
NOTES:	The Virginia legislature has adopted legislation and the Council has policies to do this—apparently more needs to be done. In an April 2010 power point presentation to the Virginia Higher Education Commission, the restructuring director recommended: "Conduct a rigorous cost-benefit analysis to identify and phase out low-demand programs…"

OPTION 8: UNIVERSALLY RECOGNIZED CREDITS

Recognize credits earned anywhere in the state and establish policies to streamline transfers between colleges and universities within the two-year system, within the four-year system, and between the two systems.

This option could be applied to general education credits or expanded to include upper division credits as well. Several "Major Related Pathways" (MRP) have been developed through a statewide voluntary body, the Joint Academic Officers Group, for a handful of majors such as business and pre-nursing. An MRP spells out the courses that are required for a major, regardless of the institution at which they are taken. Additional articulation agreements are needed, so that students have clear pathways for transfer if they know the field in which they plan to major. Requirements for majors could be better coordinated among campuses, so that agreements are truly state-wide. States that do this usually do so through a statutory requirement.

Washington's laws require the HEC Board to adopt policies that provide for the transfer of credits between two- and four-year institutions; and to create a statewide system of course equivalency so that courses from one institution can transfer and be applied toward academic majors and degrees. Although there are direct transfer agreements between the community colleges system, and the public and many private) Washington colleges and universities, the agreements are voluntary and, in some cases, receiving institutions may pick and choose which courses they will accept.

Some other states have mandatory requirements for transfers. Kentucky certifies credit completion for core courses, modules of courses and general education requirements. Once certified, the credits are valid. Illinois has a similar program. Arizona requires community colleges and 4-year universities to use common course numbering systems. In Europe, the Bologna process allows courses of study taken at one institution to be recognized fully and automatically by other institutions, even in different countries.

Expected Benefits:	
Savings	Moderate
Efficiency	Moderate
Performance and Accountability	Moderate
Considerations	• In a 2010 report "Promising Practices in Statewide Articulation and Transfer Systems", David Longnecker, the President of the Western Interstate Commission for Higher Education states: "While we can identify 'promising practices' there is so little evidence of what actually works that we still must rely to a great extent on hunches. There is simply no culture of evidence in this arena. We believe common course numbering makes a difference, that good advising assists students, and that technology portals assist institutions and students. Yet few policies or practices have been measured against true performance metrics….and until the higher education policy and practice communities begin to measure progress against clear metrics of success, we will only be able to talk about what is promising not about what we know works." • Promising practices include: general education common core (some definition of what meets general education requirement);

	common course numbering (only Florida and Texas have implemented for lower-division courses for the entire higher education system) , statewide program major articulation (Nevada requires that each major be articulated with every other similar program -- most states focus on a few high demand majors that lend themselves to agreements due to curricular standards imposed by external licensing boards), block credit transfer (avoids course by course evaluation), and transfer associates degrees.
Stakeholder perspectives	

Establish standards for awarding credit for prior learning	
Prior Learning Assessment is the process by which many colleges evaluate for academic credit the college-level knowledge and skills an individual has gained outside of the classroom. There are a range of methods for evaluating prior learning experience. Advocates argue that by helping students earn credits faster and at a lower cost, providing credits for prior learning can contr4ibute towards students' on-going progress or persistence towards a degree. With a grant from the Lumina Foundation, the Council for Adult and Experiential Learning conducted a study of over 62,000 adult students' outcomes and prior learning assessment in 48 different higher education institutions. The report, issued March 2010, concluded that students who were awarded credit for prior learning had better academic outcomes, particularly in terms of graduation rates and persistence, than other adult students. There are a number of different methods of assessing different types of prior learning. These include individual student portfolios, evaluation of corporate and military training, program evaluation done by individual colleges of non-collegiate instructional programs, customized exams, and standardized tests such as advanced placement exams. Legislation passed last session to require the HEC Board and SBCTC to develop policies for awarding academic credit for learning from work and military experience, military and law enforcement training, career college training, internships and externships and apprenticeships. Although both boards are developing policies, it is unclear whether institutions will be required to award credit for prior learning in line with those policies.	
Expected Benefits:	
Savings	Could be moderate for both student and institution
Efficiency	Moderate
Performance and Accountability	NA
Considerations	• Institutions vary widely in their willingness to award credit for prior learning. • Traditional academics question whether this negatively impacts the quality of a student's degree.
Stakeholder perspectives	

PERFORMANCE AND ACCOUNTABILITY

OPTION 10: TRANSPARENCY / PUBLISH PERFORMANCE AND COST DATA

Require college costs and performance to be posted on-line to help students be better informed when they select a college.	
The Federal Higher Education Opportunity Act of 2008 requires institutions to post a net price calculator on their websites by August 2011. The calculator will help students to consider various potential sources of financial aid in relation to cost, and uses a formula price of attendance minus grant aid. Although most institutions publish performance data on their web pages, not all do, and it is not posted in a consistent way to make it easily accessible for comparison purposes. Western and Eastern Washington Universities are two examples of institutions who include performance data on their admissions web pages. Western, for example, includes information about degrees awarded, faculty and class size, retention and graduation rates, and estimates of expenses. The information provided and where it is located could be standardized.	
Expected Benefits:	
Savings	None
Efficiency	None
Performance and Accountability	Consumer protection issue for students
Considerations	
Stakeholder perspectives	

PERFORMANCE AND ACCOUNTABILITY

OPTION 11: THREE YEAR DEGREES

Require three-year bachelor's degrees to be offered to students at some public 4-year institutions.	
In October of 2009, Newsweek published an article by Lamar Alexander: "the Three Year Solution: How the Reinvention of Higher Education Benefits Parents, Students and Schools: He cites examples of Hartwick College, a small liberal arts school in upstate New York, and Lipscomb University in Nashville offering three year degrees. Students can earn a degree with three years worth of credit rather than four – saving 25% of the cost. Rhode Island recently passed legislation requiring universities to offer the option of a three-year degree. Three year degree options are common in Europe. One school Waldorf College after graduating several hundred students in its three-year degree program is phasing out the option -- students wanted the full four-year experience for academic, social and athletic reasons.	
Expected Benefits: Saves time for students and cost to the state	
Savings	Moderate
Efficiency	High
Performance and Accountability	Increased degree attainment
Considerations	• May be appropriate for some degrees and not others • Concerns about "watering down" the value of a degree

	• Some proponents argue that this should be limited to high achieving students.
Stakeholder perspectives	